

BUDGET MEETING FEBRUARY 14, 2017

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Mayor Brown called the meeting to order at 6:10 p.m. read the following statement led the flag salute.

IN COMPLIANCE WITH CHAPTER 231 PUBLIC LAWS OF 1975, NOTICE OF THIS MEETING WAS GIVEN BY NOTICE PUBLISHED IN THE ATLANTIC CITY PRESS, THE HAMMONTON GAZETTE, EGG HARBOR AND HAMMONTON NEWS, ON FEBRUARY 1, 2017 AND POSTED AT TOWN HALL

Roll Call:

Committee Present: Edward Hagaman, Larry Riffle, Christopher Silva, Mayor Brown

Committee Absent: John Walther

Municipal Clerk: Kimberly Johnson

CFO: Dawn Stollenwerk

Public Works: Steve Sperlak, Superintendent

Public Discussion: None.

Budget Discussion: CFO explained 2016 was not a good year for us and gave the following summary: our tax collection rate was down slightly .17% and is declining, tax title liens are growing, need to consider funding for foreclosure approximately \$50,000 adding it could not be completed in 2016 due to the increase in legal fees due to the Bemby matter and contract negotiations. Anticipated revenue was short \$16,000, delinquent tax collections down \$21,500, loss was offset by the \$31,500 from Community Champions. In 2015, we generated \$673,000 in operating income and this year it will be \$438,000, which brought our available surplus down to \$242,000 less than what was available last year. There is \$574,000 in surplus available and we are utilizing \$500,000 in this years' budget. Currently we are \$142,000 over our levy cap; however, we do have a cap bank to adopt a legal budget, but next year we will never be able to be under the levy cap. When the revaluation is completed, our total assessed value will probably decrease, but the affected tax rate will go up. CFO reported this preliminary budget as presented is a 4.2 cent increase which will fund salaries and wages and operating expenses, noting there is nothing new included.

Mayor stated Mullica is the sixth highest tax in the County, noting we used to be lower, mainly which is due to loss of revenue. Ms. Stollenwerk explained the fund balance history of the Governing Body and reported in 2001 our budget was 3.9 million in 2001 to 5.5 million in 2017. Mr. Silva questioned the report regarding the Difference Card for health benefits and the savings it would offer. Ms. Stollenwerk stated if we were to switch the savings would be for 2018 and it would be approximately \$30,000.00. She added the company is requesting 1% of the premium, noting the municipality does not pay that because of employee contribution and the difference will lessen because of the mandated tiers. Mr. Silva stated he utilizes this for his personal company and feels we should investigate the potential savings. Ms. Stollenwerk agreed it should be investigated, but would like to see someone else take it to the PBA first. Mr. Silva questioned the reserved monies listed in the budget document. Ms. Stollenwerk stated some of the expenditures may not have been included as of December 31st, she stated she can run a report of the actual costs. CFO stated state aid also has not been included yet. Mr. Silva suggested the Governing Body petition the Governor for aid based upon the regulations set upon us by the Pinelands Commission. Ms. Stollenwerk stated there is a transitional aid program, but that you have to present an improvement plan with changes, noting we are not a candidate for that program. She

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explained in the past we received Pinelands Aid which was taken away in 1997 and then Garden State Trust which has also been taken away. Mr. Silva suggested a long term contract with gasoline and petroleum products. CFO stated we pay 3 cents a gallon above the spot rate and we participate in Atlantic County Co-op which are three year contracts. Mayor stated the increase in large vehicles has also affected the pricing. Mr. Silva asked if we are gaining relief from the expiration of bonds. Ms. Stollenwerk we do, noting we refinanced early and she utilized that to offset the revenue. She referenced the Current Debt Service document included in the budget package.

CFO explained the video conferencing with the jail is not working properly, however we are working with Cisco Systems for \$23.00 a month and the purchase of a touch screen which we can remove the telephone lines at \$239.00 a month. She stated this was a cost savings and removed it from the capital plan. Mayor stated the priorities he sees in the budget are foreclosures, drainage and paving issues, 7th “Avenue, Musket Lane, Venice Avenue, River Drive, Anderson and Elm. CFO stated we are awaiting the approval from the CDBG for Anderson and Elm and we have capital funding to utilize for the smaller projects. Mayor stated other wishes included painting town hall, funding for Economic Development, renovating the vestibule area, commitment to the Administrative Office of the Courts for a walk through detector, and to replace the shed at the recreation complex. CFO and Mayor stated consolidation may need to be addressed in the future.

Mayor Brown acknowledged Mr. Sperlak, Superintendent, for his work on Thurston Avenue and for going above and beyond. Committee discussed the effect of the re-valuation, state aid, and utilize more levy cap. CFO asked for direction form the Governing Body. Mayor stated we need to focus better on expenditures.

Public Discussion: None.

Mayor Brown entertained a motion to adjourn; so moved by Mr. Silva seconded by Mr. Hagaman. RCV: Yeas: All voted yes.

Respectfully submitted,

Kimberly Johnson,
Municipal Clerk

22